

SECURITIES AND EXCHANGE COMMISSION NEWS DIGEST



A brief summary of financial proposals filed with and actions by the S.E.C.

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AMERICAN NATURAL GAS RECEIVES ORDER. The SEC has issued an order under the Holding Company Act (Release 65-14904) authorizing American Natural Gas Company, New York registered holding company, and six subsidiaries, to use a method of allocating the group's consolidated income tax liabilities which will give to each of the companies included therein the full investment credit each company contributes to the total investment credit allowed on the consolidated returns.

EQUITY CORP. RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-729) authorizing the proposed sale of certain securities by William S. Stuhr to The Equity Corporation, New York closed-end investment company, in exchange for certain securities to be transferred to Stuhr. Equity owns about 46% of the outstanding common stock (300,000 shares) of United Board & Carton Corporation, of which Stuhr is president and (together with his family) beneficial owner of 33,275 shares of its stock. In order to increase its holdings of common stock of United to over 50%, Equity proposes to acquire 12,500 additional shares from Stuhr in exchange for 15,000 shares of The Capital City Products Company, a Delaware company.

TRANSATLANTIC FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3730) modifying its order of December 1962 permitting Transatlantic Fund, Ltd., a Canadian investment company, of Toronto, to register as an investment company, so as to extend one month, from June 30 through July 31, 1963, the time for the Fund to comply with Rule 7d-1.

SAMSON FUND RECEIVES ORDER. The SEC has issued an order under the Investment Company Act (Release IC-3731) authorizing the proposed exchange of assets of Samson Convertible Securities and Capital Fund, Inc., for capital shares of Samson Fund, Inc. (both New York open-end investment companies), on the basis of the respective net asset values of the two Funds. It is proposed that Samson Convertible be liquidated and dissolved; and its shareholders will receive, pro rata, shares of Samson Fund together with any cash remaining in the hands of Samson Convertible after payment of all costs and expenses.

TWO LAWYERS WITHDRAW; ACTION DROPPED. Erwin Pincus and Pace Reich, who are engaged in the practice of law in Philadelphia, have agreed that they "will not appear or practice before the Commission at any time in the future;" and upon the basis of their resignations from practice before it, the Commission has dropped private proceedings instituted by order of March 12, 1963, to determine whether they should be disqualified from appearing and practicing before the Commission. The order recited staff charges that respondents Pincus and Reich had engaged in conduct with respect to their preparation and submission of registration statements and filings under Regulation A which should disqualify them from appearing and practicing before the Commission. In tendering their resignations from future practice before the Commission, neither admitted the allegations recited in the order.

THREE ENJOINED IN SALT LAKE CITY. The SEC Denver Regional Office announced June 21 (LR-2672) the entry of a Federal court order (USDC, Utah) permanently enjoining Frank D. Roberts, Archie L. Brown and Lester C. Brown from further violations of the Securities Act registration and anti-fraud provisions in the offer and sale of common stock of Texas Imperial Oil and Gas Company, a Texas company. The defendants consented to entry of the injunction.

F. MARVIN BROBERG ENJOINED. The SEC Denver Regional Office announced June 25 (LR-2673) the entry of a Federal court order (USDC, Utah) permanently enjoining F. Marvin Broberg, of Salt Lake City, from acting as a broker-dealer unless and until he registered with the Commission as such. In addition, Maurice H. Timpson, of Salt Lake City, was preliminarily enjoined from further violations of the Securities Act anti-fraud provisions and from acting as a broker-dealer without registration with the Commission. The defendants consented to entry of the injunctions.

VAIL ASSOCIATES FILES FOR OFFERING. Vail Associates, Ltd., Vail, Colo., filed a registration statement (File 2-21525) with the SEC on June 26 seeking registration of \$600,000 of 6% subordinated notes due 1973 and \$600,000 of additional limited partnership interests in Vail Associates, to be offered for public sale in 120 units, each consisting of \$5,000 in notes and \$5,000 in interests. The offering will be made at \$10,000 per unit on a best efforts basis through Caulkins Securities Corporation, 1130 First National Bank Bldg., Denver, which will receive a 5% selling commission.

Vail Associates owns and operates ski lifts, a ski school, related food serving facilities and a hotel, all located about 107 miles west of Denver on U.S. Highway No. 6. It also leases and sells real estate for commercial and residential development. Of the \$1,120,000 estimated net proceeds from the sale of notes and additional interests, \$97,000 will be used to pay a bank loan; \$500,000 to repay an advance from partners; \$100,000 for additional working capital; \$89,000 for an investment in Lodge Associates, Ltd. (an affiliated partnership which owns the building operated by Vail as a hotel); \$170,000 toward purchase of about 140 acres of land located near Vail's present land (at a total price of \$253,500); and \$164,000 for improvements to ski

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lifts and related facilities. All of the general partners' interests in Vail Associates are owned by The Vail Corporation and Peter W. Seibert (president of Vail Corp.). Other stockholders of Vail Corp. are original limited partners of Vail Associates. Three of the original limited partners are stockholders and officers of the underwriter.

COASTAL CHEMICAL FILES FOR OFFERING AND SECONDARY. Coastal Chemical Corporation, Yazzo City, Miss., filed a registration statement (File 2-21529) with the SEC on June 26 seeking registration of 40,000 shares of Class A common stock, to be offered for public sale (principally to farmers and users of fertilizer materials) at \$35 per share, and 20,000 outstanding shares of Class D common stock, to be offered by the holder thereof, Mississippi Chemical Corporation, at \$30 per share. No underwriting is involved. The statement also includes 30,000 additional Class D shares which may be purchased from the company by Mississippi and then reoffered for its own account.

The primary purpose of the company is to provide manufactured products to stockholders who are users of such products. Coastal manufactures a variety of high analysis fertilizers, anhydrous ammonia, and other fertilizer materials and components. Class A and B stockholder patrons are entitled to patronage refunds in proportion to the dollar amount of their patronage of manufactured products of the company during the fiscal year, and Class C and D stockholder patrons are entitled to patronage refunds based upon the number of tons of straight nitrogen fertilizers purchased from the company during the fiscal year. The proceeds from the sale of additional stock will be added to the general funds of the company and used for working capital requirements and general corporate purposes. In addition to certain indebtedness, the company has outstanding four series of common stock; and Mississippi owns about 79% of the voting rights of all outstanding stock. LeRoy P. Percy is board chairman and Owen Cooper is president; and they hold similar positions with Mississippi.

MARINE MIDLAND FILES EXCHANGE OFFER. Marine Midland Corporation, 241 Main St., Buffalo, N. Y., filed a registration statement (File 2-21530) with the SEC on June 27 seeking registration of 153,125 shares of common stock. It is proposed to offer such stock in exchange for the outstanding capital stock of Bank of Smithtown, of Smithtown, N. Y., at the rate of $3\frac{1}{2}$ shares for each share of the Bank stock held of record on the effective date of this statement. As of December 31, 1962, the total assets of Bank of Smithtown were \$27,977,067, its total deposits were \$25,747,367 and its capital, surplus and undivided profits were \$1,809,638. The Bank has 43,750 shares outstanding. The company controls 11 banks or trust companies which are engaged in a general commercial banking business in New York State and supplies them with various services. It has outstanding 11,284,358 shares of common stock, of which management officials as a group own 1.8%. Charles H. Diefendorf is board chairman and Baldwin Maul is president.

SECURITIES ACT REGISTRATIONS. Effective June 27: American Broadcasting-Paramount Theatres, Inc. (File 2-21387); Clark Cable Corp. (File 2-21361); New York Equities, Inc. (File 2-21033). Effective June 28: Washington National Insurance Co. (File 2-21404); Stephenson Finance Co., Inc. (File 2-21320). Withdrawn June 27: Universal Finance Corp. (File 2-21252).

COURT RULES AGAINST PUBLIC RELATIONS OFFICIAL. In a decision rendered by Judge Levet (USDC, SDNY), the court ruled that the Commission is entitled to a permanent injunction against violations of the registration and anti-fraud provisions of the Securities Act by Stephen C. Lamb, who had been retained in a public relations capacity by Chamberlain Associates and who had distributed to various brokers, for the purpose of making a market in the stock of National Chemical & Minerals Corp., false and misleading information furnished by the issuer (SEC v. Chamberlain Associates). Final judgment has not yet been entered.

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